

OCC HAS REVIEWED.

LS 5-535A

7 March 1955

MEMORANDUM FOR: Director of Training

SUBJECT : Advanced Management Program Expenses

1. I have given considerable thought to the problem you sent me on 3 February, both on the basis of my personal experience and on the legal aspects. In general it is almost inevitable that a student will be out-of-pocket, with the possible exception perhaps of a Calvin Coolidge. The degree of out-of-pocket expenses will vary greatly with the individual according to his tastes, his sense of obligation, and his means. Also, there will be variance in the views as to what is necessary for full participation in the course. Already I believe the Agency has taken a liberal approach in connection with per diem and some of the expenses which have been allowed as reimburseable, including faculty club dues and similar matters. Beyond this I cannot see any logical way of establishing a standard in view of the factors cited above, which would vary in each instance, so that even if a "representation allowance" seemed legally permissible, I do not know how a rate would be decided upon. Also, it is recognized that the individual receives personal benefit from a course substantially paid for by the Government, and it seems to me that he should try himself to evaluate how much he is willing to pay for this benefit.

2. As to specific items considered, I do not believe the expense of discussion group dinners for the faculty members can well be allowed as it is difficult to establish that they are either a necessary part of the curriculum or even a particularly valuable one. I do not feel personally that they contribute too much, and one service member in my discussion group, feeling that he could not afford to take part, did not attend and in lieu thereof spent more time than the rest of us in the special seminars and meetings which the various faculty members conducted regularly. Secondly, the students sent from business, in the case of my class, seemed clearly to recognize that the Government students were given no entertainment allowances and volunteered and indeed insisted that they use up any entertainment expense money given

to them before asking for contributions which would touch the pockets of individuals. This, of course, cannot be counted upon but should be not uncommon. In my case this entertainment allowance to the commercial members of the discussion group was adequate, and I was not asked to contribute at all. This same aspect affects the matter of reciprocity to the generosity of classmates. It is again generally accepted that they do not expect Government employees to undertake at their own expense what the commercial representatives provide at company expense. It is possible, of course, to get into a circle with expensive habits where a certain amount of money will have to flow even if a lot of checks are picked up. There may well be occasions when the situation might be somewhat embarrassing. On the whole, however, I believe pretty full participation in the general community can take place without running into untoward expenses.

3. On the practical side, therefore, I believe that careful indoctrination of each student and a carefully estimated self-discipline will permit full participation and reduce personal costs to a minimum. On the legal side we have taken the position that any costs required by attending the school may be reimbursed, but as stated above I do not believe the cost of the discussion group dinners for faculty parties would fall into this category. If it can be demonstrated to be a required item such as the lounge fund and the faculty club we are willing to reconsider based on an administrative determination to this effect. The representation allowance, however, would be an additional benefit not in our opinion contemplated by existing law. While the authorities given to the Agency are stated to be without regard to law where necessary for the performance of its functions, the Comptroller General has ruled that it was the intent of the Congress that these authorities not be invoked for the normal administrative problems encountered by the Agency. We cannot say that CIA employees attending the Advanced Management Program are in any manner different from the other Government students whether from the military services or civilian agencies. Consequently, I do not believe it would be proper to invoke our authorities to grant a benefit which could not be given to those other Government students.

4. Despite these opinions, I believe the course could be continued on the basis of selecting those who will benefit most by the program and need not and should not give consideration to whether the candidate has ample personal funds for entertainment and related matters. In selecting a candidate, however, the financial aspects should be considered and discussed frankly with the candidate so that if he happens to be in straitened circumstances a decision can be made whether it would be unwise to incur the probable expenses involved, taking into consideration the benefit to him as well as the benefit to the Agency.

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